

Official Statement



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Riverside Civic Center Authority

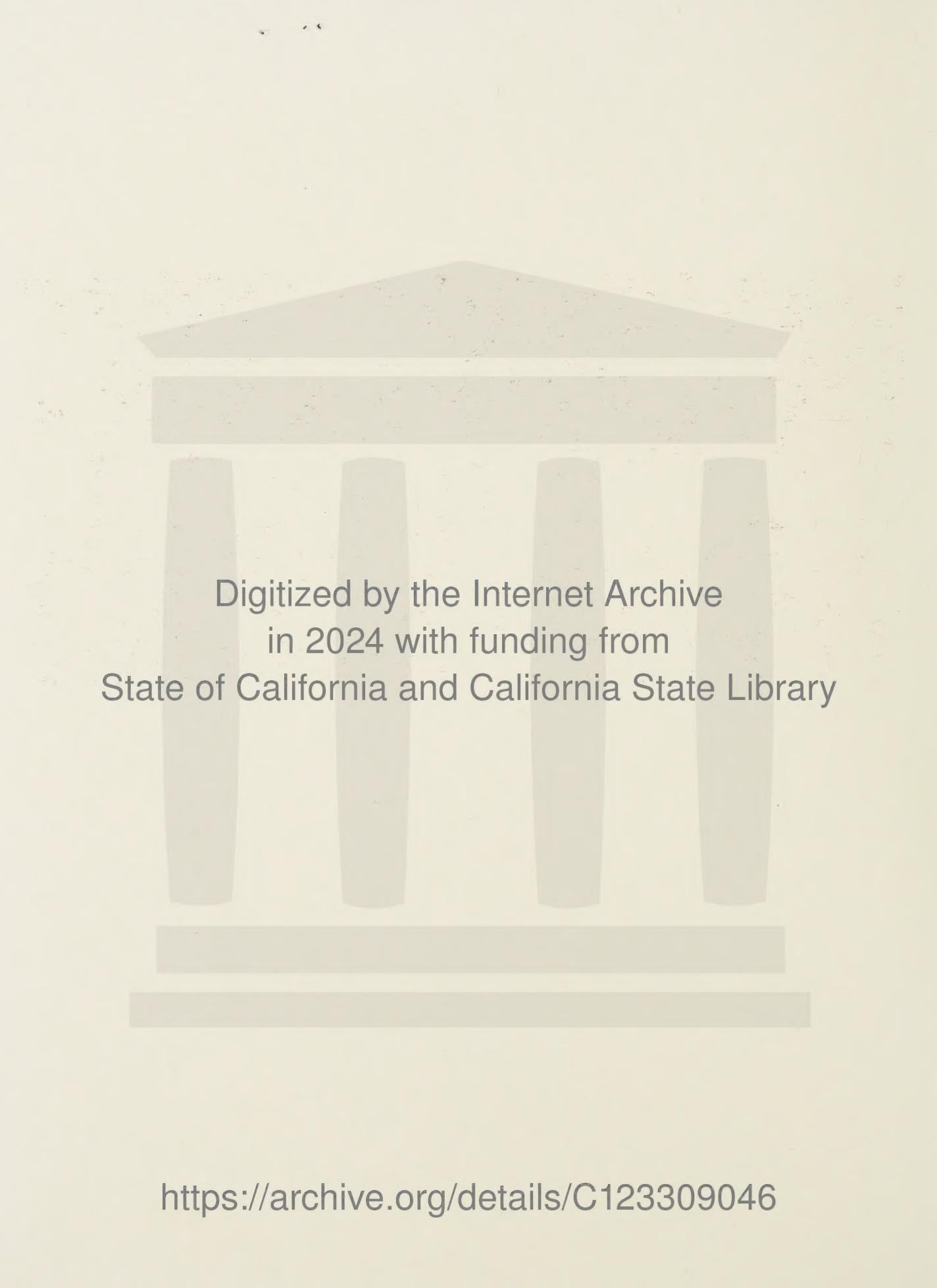
**\$9,000,000
1977 Refunding Lease
Revenue Bonds**

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JUL 25 1977

UNIVERSITY OF CALIFORNIA

Bids to be received by the Riverside Civic Center Authority
on or before 10 A.M., Tuesday, August 16, 1977, at the office of the City Clerk
6th Floor City Hall, 3900 Main Street, Riverside, California 92501.



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RIVERSIDE CIVIC CENTER AUTHORITY

RIVERSIDE COUNTY, CALIFORNIA

William E. Engel, *President*

Alger J. Fast, *Vice-President*

Frank G. Cifu

Michael H. Clepper

David Goldware

CITY OF RIVERSIDE

Ben H. Lewis, *Mayor*

Arden Anderson

Sam Digati

Eric A. Haley

Don Lorenzi

Jim Manning

Ernest Pintor

Rosanna B. Scott

CITY ADMINISTRATION

William F. Cornett, Jr., *City Manager*

Lawrence Paulsen, *Assistant City Manager*

John Woodhead, *City Attorney*

Harold E. Brewer, *Finance Director*

Alice Hare, *City Clerk*

RIVERSIDE COUNTY

Board of Supervisors

Donald L. Schroeder, *Chairman*

W. P. Abraham

A. A. McCandless

Clayton A. Record, Jr.

Norton Younglove

PROFESSIONAL SERVICES

O'Melveny & Myers, *Los Angeles*
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*
Financing Consultants

Bank of America NT & SA, *Los Angeles*
Trustee and Paying Agent

Manufacturers Hanover Trust Co., *New York*
Harris Trust and Savings Bank, *Chicago*
Paying Agents

Public debts Mun. Riverside
" County
Public bldgs Civic Center

THE DATE OF THIS OFFICIAL STATEMENT IS JULY 19, 1977

77 05219

RIVERSIDE CIVIC CENTER AUTHORITY

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$9,000,000 1977 Refunding Lease Revenue Bonds, authorized and issued for the purpose of refunding \$8,665,000 of 1974 Community Center Revenue Bonds of the Authority and paying of expenses in connection with bond issuance.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Riverside Civic Center Authority with regard to the Authority's 1977 Refunding Lease Revenue Bonds. (Such firm will receive compensation from the Authority contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, Notice Inviting Bids, Sublease and other legal documents, the project, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Secretary of the Authority for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

This Official Statement does not constitute a contract with the buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, is available to any prospective bidder on request from said Secretary.

The legal opinion, approving the validity of the Bonds, will be furnished by O'Melveny & Myers, Los Angeles, California, Bond Counsel to the Authority, (see "Legal Opinion"). Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth herein under the captions "The Bonds" and "The Authority."

No dealer, broker, salesman or other person has been authorized by the Authority to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Authority.

RIVERSIDE CIVIC CENTER AUTHORITY

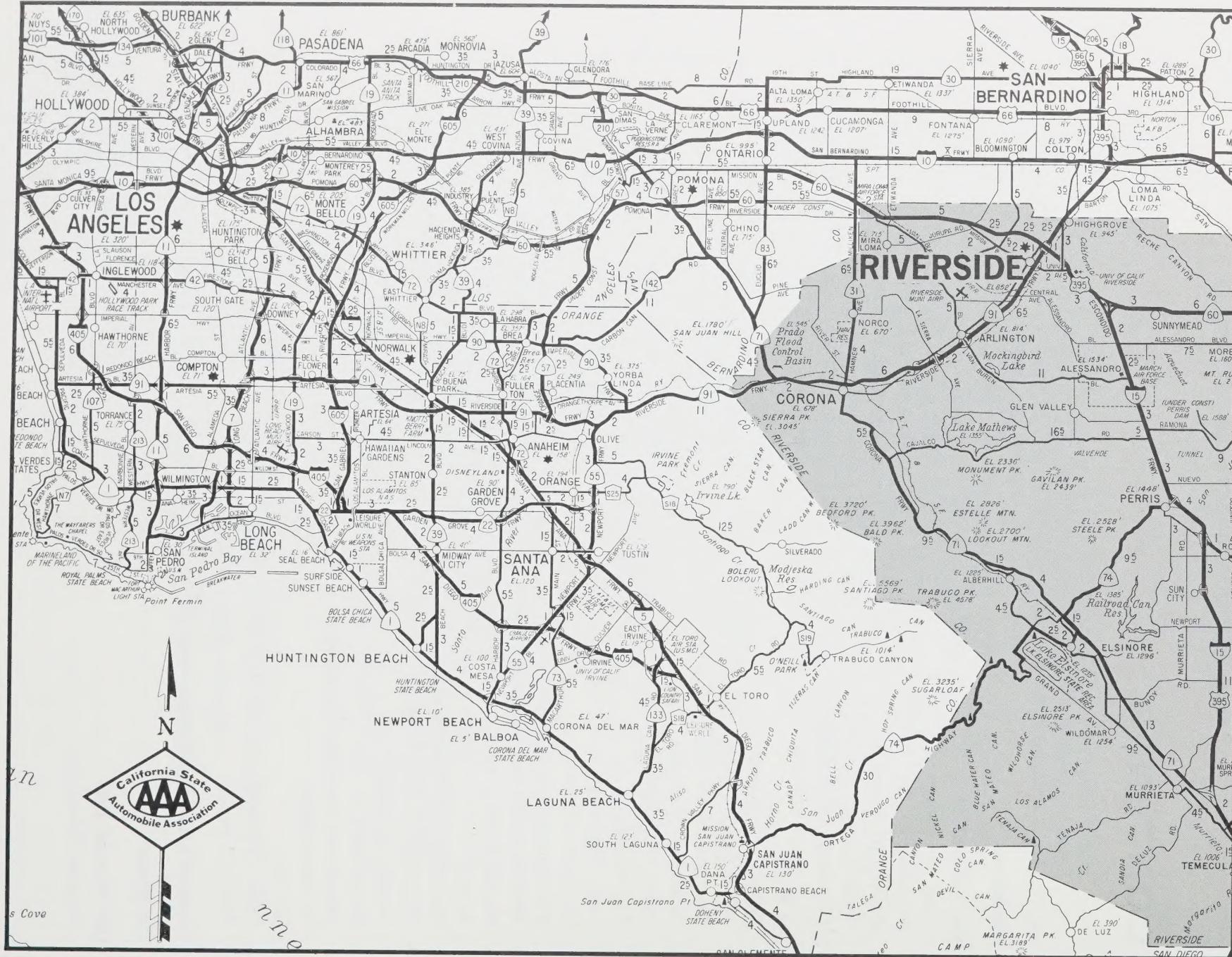
WILLIAM E. ENGEL, *President*

DONALD D. SULLIVAN, *Secretary*

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The City of Riverside and Southern California.

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INTRODUCTION

The Riverside Civic Center Authority was formed by a Joint Exercise of Powers Agreement between Riverside County and the City of Riverside dated May 18, 1971. The purpose of the Authority is to provide a civic center area, including public buildings and related facilities of both the city and county.

The Authority exists and acts as a separate public agency under the laws of California, with powers established by the Joint Powers Agreement.

The first project undertaken by the Authority was the construction of the Riverside City Hall. This complex comprises a six-story structure for city offices, a separate City Council chamber and underground parking. The city hall was financed by the issuance of \$15,100,000 of lease revenue bonds by the Authority in November 1972. This project was completed in February 1976, and is leased to the City of Riverside by the Authority.

The Authority's second project was the construction of a ten-story addition to the County Hall of Records in downtown Riverside. This was financed by issuance of \$9,990,000 in lease revenue bonds by the Authority in March 1973. This project was completed in March 1976 and is leased to the County of Riverside by the Authority.

The Authority's most recent project was construction of the Raincross Square community center complex, consisting of a multi-purpose building, plaza and surface parking spaces. The project was financed by the issuance of \$11,000,000 of lease revenue bonds by the Authority in July 1974. The facility was completed with the city taking occupancy in June 1976.

The community center is leased to the City of Riverside pursuant to the Community Center Sublease. The Sublease provides for the city to pay for the use and occupancy of the project at an annual base rental of \$925,000 which is sufficient to pay

the principal and interest coming due on the bonds. The Sublease also provides for the city to pay an additional rental to meet any operating expenses of the Authority in conjunction with the project.

Under the Sublease, the city covenants to include the total rental in its budget each year and to appropriate the necessary money for the rental payment.

At the time of sale of the 1974 Community Center Revenue Bonds, interest rates were high and the effective borrowing cost to the Authority was 7%. A total of \$8,665,000 bonds maturing on July 15, 1988 through July 15, 2004 are subject to call and redemption on July 15, 1987. By anticipating such redemption at this time, in view of present interest rates, significant interest savings will accrue to the Authority.

A total of \$9,000,000 of 1977 Refunding Lease Revenue Bonds are to be issued which will provide funds to redeem the callable bonds (\$8,665,000), pay the call premium (\$225,900) on July 15, 1987 and the costs of issuance. From the time of their issuance until July 15, 1987 the 1977 Refunding Lease Revenue Bonds will be secured by an Escrow Fund in an Escrow Bank. Interest payable on the 1977 Refunding Lease Revenue Bonds will be paid from the Escrow Fund from their date to and including July 15, 1987. After the call and redemption of the 1974 Bonds on July 15, 1987, the 1977 Refunding Lease Revenue Bonds will be secured by the annual rentals pursuant to the existing Sublease.

From the proceeds of the 1977 Refunding Bonds \$8,890,900 will be deposited in the Escrow Fund to be used to pay the costs of redeeming the 1974 Bonds on July 15, 1987. The balance of the proceeds will be placed in the Refunding Expense Fund and used to pay the costs of issuance of the 1977 Refunding Bonds.

The Escrow Fund will be held by the Escrow Bank, Bank of America NT & SA. Money in the fund will be invested in United States Treasury Obligations—State and Local Government Series, maturing on or before July 15, 1987.

The City of Riverside was incorporated in 1883, and is the county seat. The city has an estimated population of over 150,000 and a 1976/77 assessed value of \$453,417,402. Based on preliminary 1977/78 local secured and unsecured assessed valuations and the 1976/77 public utility assessed valuation, the City's 1977/78 assessed valuation is estimated to be at least \$596,931,687.

THE AUTHORITY

Joint Powers Agreement

The Riverside Civic Center Authority was created by a Joint Exercise of Powers Agreement between Riverside County and the City of Riverside, dated May 18, 1971 (the "Agreement"). The Agreement was made under provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6500.

The Agreement has a stated term of 40 years or until payment or provision for payment of the Authority's revenue bonds has been made, at which time it will terminate automatically.

Organization

The Authority exists and acts as a separate public entity and is governed by a five-member commission, three members appointed by the city and two by the county. All appointees are now serving four-year terms. The commission elects or reelects a President and Vice-President annually. The members of the commission are:

William E. Engel, President, Executive; Appointed by the County.

Alger J. Fast, Vice-President, Finance Executive; Appointed by the County.

Frank G. Cifu, Businessman; Appointed by the City.

Michael H. Clepper, Attorney; Appointed by the City.

David Goldware, Insurance Business; Appointed by the City.

The County Clerk, County Treasurer and County Auditor-Controller are and act as the secretary, treasurer and controller, respectively, of the Authority. The County Counsel or City Attorney provide legal advice at the commission's request.

Powers and Purposes

The Authority has the power to acquire sites and to acquire, construct, maintain, operate and lease

public buildings and related facilities, to provide for the development of the Civic Center Area; to make and enter into contracts, to acquire, construct, manage, maintain or operate any buildings, works or improvements; to acquire property by lease or purchase; to hold or dispose of property by lease or sale; to incur debts, liabilities or obligations which are not debts, liabilities or obligations of the city or the county, including the power to issue revenue bonds to finance construction of the Civic Center improvements.

The Agreement provides for the Authority or the city and the county, respectively, to contract for construction of the City and County facilities, which will be financed by the Authority from the proceeds of its revenue bond issues.

Upon termination of the Agreement, all property of the Authority will automatically vest in the respective parties which earlier transferred, conveyed or leased such property to the Authority.

Ground Lease

Under the Riverside Community Center Ground Lease, dated as of July 15, 1974 (the "Ground Lease"), the city has leased the community center site to the Authority for a term not longer than the term of the Agreement.

Community Center Sublease

Under the Riverside Community Center Sublease, dated as of July 15, 1974 (the "Sublease"), the Authority has leased the Site together with the Facilities back to the city. The term of the Sublease extends from its date to July 15, 2006, or until payment, or provision for payment, of the bonds has been made.

The Sublease provides that the city pay the Authority annually in advance a base rental (\$925,000) sufficient to meet the annual revenue bond principal and interest requirements and other obligations of the Authority.

Construction of the community center was completed in June 1976 and the first full rental payment became due and was paid July 1, 1976.

The city is required to provide for the operation and maintenance of the Facilities at no expense to the Authority and to pay to the Authority as additional rent the amount necessary to cover taxes and assessments, if any, to pay insurance premiums, to meet the operating expenses of the Authority and to

maintain a balance of \$2,500 in the Working Capital Fund, to the extent interest earnings and other income of the Authority are insufficient for these purposes.

The Sublease provides for the maintenance of such insurance as may be required by the city or by the bond indenture of the Authority. In the event of destruction of all or a part of the Facilities, the Authority may use the insurance proceeds to rebuild the Facilities or, if such proceeds are insufficient to

rebuild the Facilities within the period for which the Authority has rental interruption insurance, the Authority may terminate the Sublease and redeem the bonds or, if such proceeds are sufficient the Authority may, with the consent of the city terminate the Sublease and redeem the bonds. The proceeds of any award in the event of condemnation will be used to redeem the bonds. Any surplus remaining after redemption of the bonds or reconstruction of the Facilities will be transferred to the city.

Riverside City Hall. Completed in early 1976, the project was financed by a previous bond issue of the Riverside Civic Center Authority.



THE BONDS

Authority for Issuance

The Riverside Civic Center Authority 1977 Refunding Lease Revenue Bonds (the "1977 Bonds" or the "Bonds") in the principal amount of \$9,000,000 are being issued under provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6500. Issuance of the Bonds is authorized by Resolution No. 77-1 of the Authority (the "Resolution") adopted on July 19, 1977 and approved by resolution of the City Council on the same date. A copy of the Resolution is included in the basic legal documents which accompany this Official Statement as originally distributed.

Sale of the Bonds

Bids for the purchase of the Bonds will be received by the Riverside Civic Center Commission at 10:00 A.M., Tuesday, August 16, 1977 at the office of the City Clerk, City Hall, Sixth Floor, 3900 Main Street, Riverside, California 92501. The Bonds will be awarded at a meeting of the Authority in the City of Riverside later on the same day. Details as to the terms of the sale are included in the Official Notice Inviting Bids adopted July 19, 1977, a copy of which accompanies this Official Statement, as originally distributed.

Description of the Bonds

The \$9,000,000 principal amount of Riverside Civic Center Authority 1977 Refunding Lease Revenue Bonds will be dated July 15, 1977 and will be issued in the denomination of \$5,000 each.

Interest will be payable semiannually on January 15 and July 15 of each year. The first interest payment will be due January 15, 1978. Both principal and interest on the bonds are payable at the Corporate Agency Division of the Trustee for the Authority, Bank of America NT & SA, in the City of Los Angeles, California, or at any other paying

agent for the Authority in The City of New York, New York and the City of Chicago, Illinois.

The Bonds will be numbered 1 through 1800 and will be payable annually on July 15 of each year as follows:

Year	Principal Amount	Year	Principal Amount
1988 . . .	\$360,000	1996 . . .	\$590,000
1989 . . .	385,000	1997 . . .	625,000
1990 . . .	410,000	1998 . . .	665,000
1991 . . .	435,000	1999 . . .	705,000
1992 . . .	460,000	2000 . . .	750,000
1993 . . .	490,000	2001 . . .	800,000
1994 . . .	525,000	2002 . . .	845,000
1995 . . .	550,000	2003 . . .	405,000

Redemption Provisions

Except as set forth in the following paragraphs the 1977 Bonds are subject to call and redemption at the option of the Authority on July 15, 1987, or on any interest payment date thereafter as a whole, or in part, in inverse order of maturity or by lot within a maturity, upon payment of the principal amount, accrued interest to the date of redemption, and a premium of $\frac{1}{4}$ of 1% of such principal amount for each year and for any remaining fraction of a year between the date of redemption and the date of maturity of the bonds, said premium not to exceed 3%.

Prior to July 15, 1987, in the case of any event which renders the project unusable and causes the expectation of a default of the 1974 Lease Revenue Bonds, all of the 1977 Bonds are subject to call and redemption on any date, without premium, at the option of the Authority. In this event the 1974 Lease Revenue Bonds will have a first claim on the proceeds of any insurance or condemnation awards.

On and after July 15, 1987, in the event of loss of, substantial damage to or condemnation of the whole or any substantial part of the project so as to render it unusable, all of the 1977 Bonds are subject to call and redemption on any succeeding interest payment date, without premium, at the option of the Authority.

Notice of Redemption

Notice of redemption is to be published in a financial newspaper or financial journal, published in the City of Los Angeles, California and in The City of

New York, New York. The first publication will be at least 30 days but not more than 60 days prior to the redemption date. The Trustee is required to give written notice to the owners of any registered 1977 Bonds.

Registration

The Bonds are to be issued as coupon bonds or as fully registered bonds, at the holder's option, and may be exchanged as set forth in the Resolution.

Legal Opinion

The approving opinion of O'Melveny & Myers attesting to the validity of the Bonds will be supplied free of charge to the original purchaser of the 1977 Bonds. A copy of the legal opinion will be printed on each 1977 Bond without charge to the purchaser. (See the caption "Closing Papers").

The statements of law and legal conclusions set forth in this Official Statement under the headings "The Bonds" and "The Authority" have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents which bond counsel did not prepare or review or to any agreements, representations, offering circulars or other material of any kind concerning the Bonds not mentioned in this paragraph.

Tax Exempt Status

In the opinion of bond counsel, interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws (except with respect to any bond for any period of time during which such 1977 Bond is held by a person who is a substantial user, as defined in Section 103(b)(7) of the Internal Revenue Code of 1954, of the facilities financed from the proceeds of the Bonds or by a related person as defined in Section 103(b)(7)) and also exempt from personal income taxes of the State of California under present state income tax laws.

Eligibility for National Banks

A request has been made to the Comptroller of the Currency for a ruling that the 1977 Bonds are

eligible for purchase, dealing in, underwriting and unlimited holding by national banks. A ruling on the request is expected prior to the date of sale of the 1977 Bonds.

Eligibility as Security for Public Funds

The 1977 Bonds are eligible to secure deposits of public funds in banks in the State of California.

Purpose of Issue

The \$9,000,000 of 1977 Bonds currently being offered for sale will be used to (a) refund \$8,665,000 principal amount of the Authority's 1974 Community Center Revenue Bonds maturing by their terms on July 15, 1988 through July 15, 2004 and which are subject to call and redemption on and after July 15, 1987; (b) pay the redemption premium of \$225,900 and (c) pay the expenses of issuance.

Security

On and prior to July 15, 1987, the interest on the 1977 Bonds is payable from the interest earned on United States Treasury Obligations—State and Local Government Series, to be deposited in an Escrow Fund with an Escrow Bank as described on page 7 of this Official Statement. After July 15, 1987, at which time moneys in the Escrow Fund will be applied to redeem all the 1974 Community Center Revenue Bonds, the 1977 Bonds and the interest thereon shall be payable from the pledged revenues which include all payments of Base Rental by the City of Riverside to the Authority under the terms of the Riverside Community Center Sublease. The sufficiency of the earnings in the Escrow Fund will be substantiated by an independent certified public accountant at the time of delivery of the 1977 Bonds.

The Community Center Sublease

The community center has been leased to the city under terms of the Riverside Community Center Sublease dated as of July 15, 1974.

The Sublease provides that commencing upon completion of the project the City will pay the Authority annually in advance a \$925,000 Base Rental which is sufficient to meet annual revenue bond principal and interest requirements on the 1977 Bonds. The community center was occupied by the city in June, 1976. The first full rent payment of \$925,000 was due and paid by the city on July 1, 1976.

Under terms of the Sublease, should the city default in its rent payments, the Authority has the right to re-enter and relet the premises for the account of the city, including the right to operate the facilities, without terminating the Sublease.

The city is required to provide for the operation and maintenance of the facilities at no expense to the Authority and to pay to the Authority as additional rent the amount necessary to pay taxes and assessments, if any, insurance premiums, and the amount necessary to meet the operating expenses of the Authority to the extent other income of the Authority is insufficient for these purposes.

The Sublease provides for the maintenance of such insurance as may be required by the city or by the bond Resolution of the Authority. The proceeds of any award in the event of condemnation will be paid to the Authority. The proceeds may at the option of the city to be used to acquire and construct substitute facilities to be leased to the city for at least the same rent or to call and redeem bonds.

Disposition of Bond Proceeds

The Resolution provides that the Trustee of the Authority will receive the proceeds from sale of the 1977 Refunding Bonds and will apply them as follows:

(1) The accrued interest and premium, if any, shall be placed in the Escrow Fund.

(2) The proceeds shall be used to acquire a direct obligation of the United States of America which will be placed in the Escrow Fund to be used for the purpose of paying interest on the 1977 Bonds from July 15, 1977 to and including July 15, 1987 and to call and redeem all of the 1974 Community Center Revenue Bonds and pay the premium applicable thereto. The remainder shall be transferred to the Trustee and used to pay the costs of issuance of the Bonds.

Creation of Special Funds

To secure payment of the Bonds and to provide control over the bond proceeds, revenues and other funds of the Authority for the benefit of the bondholder, Resolution No. 74-1, adopted May 21, 1974, provided for the establishment of the funds outlined below which are continued under the Resolution.

Pursuant to the Resolution two additional funds are created to be known as the Escrow Fund and the Refunding Expense Fund. With the exception of the Escrow Fund all other funds are held and administered by the Trustee.

Fund	Source	Use
Escrow Fund (Section 5.02)	1977 Bond Proceeds	Held by Escrow Bank for bond interest until July 15, 1987 and then to redeem the 1974 Bonds.
Refunding Expense Fund (Section 5.02)	1977 Bond Proceeds	To pay issuance expenses of the 1977 Bonds.
Revenue Fund (Section 5.04)	City Rental Payments	Transfers to Interest, Retirement and other required funds for 1974 Bonds until July 15, 1987, then for 1977 Bonds.
Interest Fund (Section 5.01)	Bond Proceeds and Transfers from Revenue Fund	Bond interest on 1974 Bonds until July 15, 1987; then on 1977 Bonds.
Retirement Fund (Section 5.01)	Transfers from Revenue Fund	Bond principal on 1974 Bonds until July 15, 1987; then on 1977 Bonds.
Reserve Fund (Section 5.01)	Bond Proceeds and Revenue Fund	Bond principal and interest; payment of final maturities on 1977 Bonds.
Working Capital Fund (Section 5.05) ..	Bond Proceeds, Revenue Fund and Additional Rent	Authority's administrative and miscellaneous expense.
Redemption Fund (Section 4.06)	Any authorized source	For purchase or call of bonds, or rental credits, or additions to the project after July 15, 1987.

Escrow Bank

The Resolution provides that the Bank of America NT & SA will act as both Escrow Bank and Trustee for the 1977 Bonds. During the period the 1974 Revenue Bonds are outstanding the bank will hold the proceeds of the 1977 Bonds together with interest earned from the investment of the proceeds and pay interest on the 1977 Bonds as it becomes due.

After the 1974 Community Center Revenue Bonds have been redeemed the bank will continue to act as Trustee and Paying Agent for the 1977 Bonds.

Deposit and Application of Revenues

When the 1974 Community Center Revenue Bonds have been redeemed all pledged revenues of the Authority are pledged to the punctual payment of the 1977 Bonds. Pledged revenues will continue to be held by the Trustee and applied as follows:

1. Interest Fund — On or before July 20 of each year, beginning July 20, 1987, the Trustee will deposit a sum sufficient, together with the balance then on hand, to pay the twelve months' interest becoming due on the 1977 Bonds on the next January 15 and July 15.

2. Retirement Fund — On or before July 20 of each year while any of the 1977 Bonds are outstanding, beginning July 20, 1987, the Trustee will deposit an amount equal to the aggregate amount of principal due and payable on the outstanding 1977 Bonds on the next succeeding July 15.

3. Reserve Fund — Under terms of Resolution No. 74-1 a bond reserve fund equal to one-half maximum annual bond service was created from the proceeds of the sale of the 1974 Community Center Revenue Bonds and held by the Trustee. Commencing upon the redemption of the 1974 Community Center Revenue Bonds this fund can be used solely to pay principal and interest on the 1977 Bonds in the event no other funds are available and must be replenished if used; provided, however, that it may be applied toward the retirement of the last outstanding 1977 Bonds. Money in the fund may be invested in authorized investments or may be deposited in interest-bearing accounts. Surplus interest obtained by investment or deposit of moneys in the Reserve Fund may be transferred to the Revenue Fund.

4. Working Capital Fund — A sum of \$2,500 was initially deposited into the fund in 1974 and at least this amount must be maintained as unencum-

bered working capital. Moneys in this fund are to be disbursed by the Trustee for payment of such items as taxes or assessments, if any, levied upon the Project, administrative costs of the Authority and insurance premiums. However, if additional funds are required, the Trustee is required to bill the City for additional rental which the City is obligated to pay under terms of the Sublease.

5. Surplus — Any moneys in the Revenue Fund on July 30, 1987 or on each July 30 thereafter, provided that such moneys are not required for the above purposes or to meet future debt service requirements, may be used; at the discretion of the Authority, for additions or improvements to the Project, for purchase or redemption of bonds, or to reimburse the city for any rental previously paid or as credit against the next succeeding installments of Base Rental coming due.

Additional Bonds

The Authority, in Section 6.14 of the Resolution, covenants that no additional indebtedness with a priority over the 1977 Bonds may be created. Additional bonds may be issued on a parity with these bonds, subject to the following conditions, as specified by Section 3.01 of the Resolution.

1. The additional bonds must be for the purpose of financing completion of the project or an addition to the project and must be declared by a supplemental resolution to be necessary.

2. The Authority must not be in default under the terms of the Resolution.

3. The additional bonds must be equally and ratably secured.

4. The additional bonds must be bonds payable as to principal on July 15, with interest payable on January 15 and July 15 of each year. The additional bonds may not be subject to redemption prior to July 15, 1987, except in the event of condemnation or destruction of or damage to the Project.

5. The Authority must enter into a revised Sublease with the city in which the city obligates itself to increase the base rental and additional rental under the Sublease in amounts sufficient to provide for the payment of the principal of and interest on the additional bonds when due and to make all other necessary payments.

6. Provision must be made to increase the Reserve Fund to an amount equal to at least one-

half the maximum annual bond service on all outstanding bonds including the additional bonds.

The Resolution provides that refunding bonds may be issued by the Authority. Under such circumstances the city would be obligated to make annual base rental payments sufficient for the Authority to meet principal and interest payments on the Bonds which will be outstanding after the refunding.

Insurance

After July 15, 1987, the Resolution requires that the Authority maintain or cause to be maintained the following insurance protection. Prior to July 15, 1987, the same insurance protection is required by Resolution No. 74-1 of the Authority providing for the issuance of the 1974 Bonds.

a. Against loss or damage to the property resulting from fire, lightning, and other perils ordinarily defined as "extended coverage" in amounts, for not less than the full insurable value of all structures constituting any part of the Project (with a deductible clause of not more than \$10,000) for any one loss; and

b. Against earthquakes only if such insurance is available on the open market from reputable insurance companies or from any governmental agency, either in an amount not less than the full insurable value of the properties, and a deductible amount of not more than 10 percent of the face value of the insurance for any one loss or in the amount of the Authority's outstanding bonds, whichever is less; and

c. Against war risks, as and when obtainable from the United States of America or any agency thereof, in an amount not less than 80 percent of the full insurable value; and

d. Use and occupancy or business interruption or rental income insurance against fire, lightning, and other such perils ordinarily defined as "extended coverage", and against earthquake in an amount of not less than two years' rental; and

e. Public liability insurance of not less than \$250,000 per person and \$1,000,000 per any one accident and property damage liability insurance of at least \$50,000; and

f. Worker's compensation for all persons employed in connection with the Project.

Other Covenants

The Resolution contains certain additional covenants by which the Authority agrees:

1. To punctually pay bond principal and interest on the 1977 Bonds as they become due.
2. Not to mortgage, encumber, sell, lease, place a charge on or otherwise dispose of the project or the revenues therefrom and not to enter into any agreement which impairs the operation of the project or otherwise dispose of the project or the revenues therefrom and not to enter into any agreement which impairs the operation of the project or otherwise impairs the rights of the bondholders with respect to the revenues or operation without making an adequate provision to protect the rights of bondholders.
3. To pay, discharge, or contest any lawful claims and any taxes, assessments, or other governmental charges upon the project or the revenues which might impair the security of the Bonds.
4. After July 15, 1987 to keep proper books of record and accounts and to file with the Trustee annually, within 120 days after the end of each fiscal year, detailed certified audits covering the operation of the Authority, showing revenues, expenses, insurance in force, and the status of each fund. Prior to July 15, 1987, the Escrow Bank shall furnish a report annually on the Escrow Fund.
5. To maintain or cause the project and all buildings and equipment to be maintained in good repair.
6. If for any reason the Authority should operate the project, to fix and collect charges sufficient to pay bond principal and interest when due, to pay all operation and maintenance expenses and to maintain the special funds provided for in the Resolution.
7. Not to agree to any amendment of the Sublease which would impair or reduce the security of the holders of the Bonds.
8. Not to invest the proceeds of the 1977 Bonds in such a manner which would result in the Bonds being taxable "arbitrage Bonds" within the meaning of section 103(b), Internal Revenue Code of 1954, as amended.

These covenants are also contained in Resolution No. 74-1 of the Authority providing for the issuance of the 1974 Bonds.

Closing Papers

Each proposal will be understood to be conditioned upon the Authority furnishing to the Purchaser, without charge, concurrently with payment for and delivery of the 1977 Bonds, the following closing papers, each dated the date of such delivery:

(a) *Legal opinion*—The opinion of O'Melveny & Myers of Los Angeles, California, Bond Counsel for the Authority, approving the validity of the 1977 Bonds and stating that interest on the 1977 Bonds is exempt from income taxes of the United States of America under present federal income tax laws, and that such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

A copy of the opinion of O'Melveny & Myers, certified by an officer of the Agency by facsimile signature, will be printed on the back of each 1977 Bond. No charge will be made to the Purchaser for such printing or certification.

(b) *Arbitrage Certificate*—A certificate of the Treasurer of the Authority that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the 1977 Bonds will be used in a manner

that would cause the 1977 Bonds to be arbitrage bonds.

(c) *No-Litigation Certificate* — A certificate signed by an officer of the Authority that there is no litigation threatened or pending affecting the validity of the 1977 Bonds.

(d) *Signature Certificate*—A certificate of the officers and representatives of the Authority, showing that they have signed the 1977 Bonds, whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same.

(e) *Receipt* — The receipt of the Authority showing that the purchase price of the 1977 Bonds, including interest accrued to the date of delivery thereof, has been received by the Authority.

(f) *Certificate Re Official Statement* — A certificate of the Treasurer of the Authority to the effect that at the time of sale of the 1977 Bonds and at all times subsequent thereto up to and including the time delivery of the 1977 Bonds, the Official Statement did not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ESTIMATED ANNUAL BOND SERVICE

Table 1 shows a schedule of annual bond service for the Authority's 1977 Refunding Lease Revenue Bonds, based on an estimated interest rate of 6 1/4 %. Bond maturities have been scheduled so as to provide an annual debt service similar to the 1974 Community Center Revenue Bonds.

Table 1
RIVERSIDE CIVIC CENTER AUTHORITY
1977 Refunding Lease Revenue Bonds
Estimated Annual Bond Service

Year Ending July 15	Bonds Outstanding	Interest Estimated at 6 1/4 %	Principal Maturing July 15	Total Bond Service
1978	\$9,000,000	\$ 562,500.00	\$ —	\$ 562,500.00
1979	9,000,000	562,500.00	—	562,500.00
1980	9,000,000	562,500.00	—	562,500.00
1981	9,000,000	562,500.00	—	562,500.00
1982	9,000,000	562,500.00	—	562,500.00
1983	9,000,000	562,500.00	—	562,500.00
1984	9,000,000	562,500.00	—	562,500.00
1985	9,000,000	562,500.00	—	562,500.00
1986	9,000,000	562,500.00	—	562,500.00
1987	9,000,000	562,500.00	—	562,500.00
Subtotal		\$ 5,625,000.00		\$ 5,625,000.00
1988	9,000,000	\$ 562,500.00	\$ 360,000*	\$ 922,500.00
1989	8,640,000	540,000.00	385,000*	925,000.00
1990	8,255,000	515,937.50	410,000*	925,937.50
1991	7,845,000	490,312.50	435,000*	925,312.50
1992	7,410,000	463,125.00	460,000*	923,125.00
1993	6,950,000	434,375.00	490,000*	924,375.00
1994	6,460,000	403,750.00	525,000*	928,750.00
1995	5,935,000	370,937.50	550,000*	920,937.50
1996	5,385,000	336,562.50	590,000*	926,562.50
1997	4,795,000	299,687.50	625,000*	924,687.50
1998	4,170,000	260,625.00	665,000*	925,625.00
1999	3,505,000	219,062.50	705,000*	924,062.50
2000	2,800,000	175,000.00	750,000*	925,000.00
2001	2,050,000	128,125.00	800,000*	928,125.00
2002	1,250,000	78,125.00	845,000*	923,125.00
2003	405,000	25,312.50	405,000*	430,312.50
Subtotal		\$ 5,303,437.50	\$9,000,000	\$14,303,437.50
Total		\$10,928,437.50	\$9,000,000	\$19,928,437.50

*Callable on or after July 15, 1987.

THE PROJECT

The project financed by the 1974 Community Center Revenue Bonds consists of the 95,000 square-foot Ben H. Lewis Hall, a plaza and surface park-

The Ben H. Lewis Hall, a 95,000 square-foot multi-purpose building that is the principal structure of the Raincross Square complex. Completed in June 1976, it was financed by the Authority's 1974 Community Center Revenue Bond issue, to be refunded with the 1977 Bonds currently offered.

ing, located in Raincross Square four blocks north of the Riverside City Hall. The hall provides exhibit, space, meeting areas and rooms, offices and service facilities. The project is leased by the Authority to the City of Riverside. The City took occupancy of the facility in June 1976. The total cost of the project, including site acquisition and preparation, design and construction, was \$9,087,717, which was approximately \$360,000 less than budgeted.

During fiscal year 1976/77, the project's first full year of operation, over 200,000 people entered the hall in connection with 640 separate meetings or events of all types.



CITY FINANCIAL DATA

Assessed Valuations

The City of Riverside uses the facilities of Riverside County for the assessment and collection of taxes for city purposes. City taxes are collected at the same time and on the same tax rolls as are county, school district, and special district taxes. Assessed valuations of properties are the same for both city and county taxing purposes. The California State Board of Equalization reports the 1976/77 Riverside County valuations averaged 23.3 percent of full value except for public utility property, which is assessed at 25 percent of full cash value by the state.

The California State Legislature adopted two types of state-reimbursed exemptions beginning in the tax year 1969/70. The first currently exempts 50 percent of the assessed valuation of business inventories from taxation. The second exemption currently provides a credit of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor.

Revenue estimated to be lost to local taxing agencies due to the above exemptions is reimbursed from state sources. Reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies. The tabulations below and on the next page present the city's 1976/77 assessed valuation before and after provision for state-reimbursed exemptions, and a summary of assessed valuation growth since 1967/68.

CITY OF RIVERSIDE 1976/77 Assessed Valuation

Roll	Net Assessed Valuation	State-reimbursed Exemptions	Assessed Valuation for Revenue Purposes
Secured . . .	\$340,521,794	\$56,768,299	\$397,290,093
Unsecured	28,683,490	10,512,679	39,196,169
Utility . . .	16,929,215	1,925	16,931,140
Total	\$386,134,499	\$67,282,903	\$453,417,402

Source: Riverside County Auditor-Controller.

Based on preliminary 1977/78 local secured and unsecured valuations and the 1976/77 public utility valuation, the city's 1977/78 assessed valuation is estimated to be at least \$596,931,687.

CITY OF RIVERSIDE

Assessed Valuations

Fiscal Year	Assessed Valuation
1967/68	\$258,302,600
1968/69	266,816,310
1969/70	279,265,432*
1970/71	296,740,661*
1971/72	322,768,084*
1972/73	336,823,722*
1973/74	355,837,058*
1974/75	385,907,138*
1975/76	416,491,631*
1976/77	453,417,402*

*Before deduction of State-reimbursed exemptions (first in effect in 1969/70).

Source: Riverside County Auditor-Controller.

Tax Rates, Secured Tax Levies, and Delinquencies

The 1976/77 city tax rate of \$1.13 per \$100 assessed valuation is comprised of \$.840 for general city purposes, \$.020 for capital outlays, \$.190 for library purposes and \$.080 for general obligation bond service. Under the present City Charter and state legislation, the maximum tax rate for general city purposes only is \$1.00 per \$100 assessed valuation.

TAX CODE AREA 9002

Total Tax Rates

	1972/73	1973/74	1974/75	1975/76	1976/77
County of Riverside	\$ 2.8250	\$ 2.673	\$ 2.635	\$ 2.629	\$ 2.923
City of Riverside	1.1300	1.130	1.130	1.113	1.130
City Schools	5.0970	4.834	4.607	5.453	5.447
County School Programs	.1890	.288	.188	.288	.312
Riverside Community College	.6440	.636	.650	.692	.615
Flood Control Zone 1	.5500	.550	.550	.525	.548
Metropolitan Water District	.2100	.200	.190	.180	.160
Western Municipal Water District	.0800	.100	.100	.100	.110
Total, All Property	\$10.7250	\$10.411	\$10.050	\$10.980	\$11.245
Land and Improvements Only:					
Resource Conservation	.0200	.020	.020	.026	.014
Total, All Rates	\$10.7450	\$10.431	\$10.070	\$11.006	\$11.259

Source: Riverside County Auditor-Controller.

Tax Code Area 9002 (1976/77 assessed valuation \$190,944,765) is the largest in terms of assessed valuation in the city. Total tax rates per \$100 assessed valuation in Code Area 9002 for all purposes for the past five years are presented at the bottom of the page.

The following tabulation presents a ten-year summary of the city's secured tax levies, and current secured tax delinquencies. During the period, the current rate of secured tax delinquency averaged 2.64 percent per annum.

CITY OF RIVERSIDE

Secured Tax Levies and Delinquencies

Fiscal Year	City Secured Levy	Amount Delinquent June 30	Percent Delinquent June 30
1966/67	\$2,600,050	\$ 71,604	2.75%
1967/68	2,806,308	65,414	2.33
1968/69	2,900,366	61,849	2.21
1969/70	2,835,103	64,942	2.29
1970/71	2,882,006	69,772	2.42
1971/72	3,234,961	68,224	2.11
1972/73	3,331,591	68,020	2.04
1973/74	3,106,237	80,994	2.61
1974/75	3,396,575	152,673	4.49
1975/76	3,677,218	117,209	3.19

Source: Riverside County Auditor-Controller.

Principal Taxpayers

The tabulation below presents the ten principal property taxpayers in the City of Riverside and the secured taxes paid by each in 1976/77. This listing was compiled from individual tax bills by the Riverside County Tax Collector's office. In the case of utilities, the amounts are on a county-wide basis but it is believed the majority of the property is within the City of Riverside.

CITY OF RIVERSIDE

Principal Property Taxpayers

Taxpayer	Taxes Paid 1975/76
Pacific Telephone Co.	\$2,862,611
Southern California Gas Co.	1,981,933
American Cement Co.	651,963
Rohr Industries	651,794
Owens-Illinois Inc.	438,219
Bourns Inc.	352,833
Pacific Lighting Service Co.	338,775
Amax Aluminum Mill Products	293,080
Alcan Aluminum Corp.	267,951
Fleetwood Enterprises	215,821

Source: Riverside County Tax Collector.

Fund Balances and Reserves

The City's fund balances as of June 30, 1976 and 1977 were as shown below.

CITY OF RIVERSIDE

Fund Balances as of June 30, 1976, 1977

	1976①	1977②
General Fund	\$1,727,253	\$3,100,000
Special Revenue Funds .	1,052,362	1,805,009
Bond Service Funds ...	97,358	106,000
Capital Projects Funds .	1,271,572	1,110,000
Airport Fund	(212,621)	(207,600)
Trust and Agency Funds	1,355,217	199,969
Other Funds	73,453	19,035
Total	\$5,364,594	\$6,132,413

① Audited totals from 1975/76 Annual Financial Report.

② Year-end estimates in 1977/78 preliminary city budget.

Revenues and Expenditures

Table 2 on page 15 presents a summary of general revenues and expenditures for the City of Riverside over the years 1971/72 through 1975/76 (latest available) as reported by the city's Finance Department to the State Controller in accordance with State law. The following "enterprise funds" are excluded from the tabulation: Airport, Electric System and Water Department.

Budgets and Personnel

The tabulation below shows a comparison of the city's 1976/77 and preliminary 1977/78 Budgets.

CITY OF RIVERSIDE

Budgets and Personnel

	1976/77	Preliminary 1977/78
Budget:		
Current operations .	\$65,910,968	\$ 71,349,320
Debt service	6,109,360	7,948,790
Capital projects	21,625,870	57,314,312
Total	<u>\$93,646,198</u>	<u>\$136,612,422</u>
Sources of Funds:		
Property taxes	\$ 4,162,700	\$ 4,623,500
Other local taxes ...	8,909,000	10,299,000
Licenses and permits	1,587,000	2,290,500
Rent and interest ..	1,051,900	1,155,500
Fines and penalties .	716,000	832,000
Subventions and grants	19,578,948	20,726,875
Reserves and miscel- laneous	1,574,473	3,373,147
Bond proceeds	6,071,100	39,550,000
Service charges	5,639,920	6,598,600
Electric utility	36,584,787	38,827,000
Water utility	7,770,370	8,336,300
Total	<u>\$93,646,198</u>	<u>\$136,612,422</u>
Personnel:		
Full-time	1,464	1,497
Part-time	165	175
CETA	37	69
Total	<u>1,666</u>	<u>1,741</u>
Source: City budgets.		

Retirement System

Employees of the city participate in a defined-benefit pension plan which is administered in accordance with a contract between the city and the State

of California Public Employees' Retirement System ("PERS"). PERS is a statewide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Benefit Technology (formerly Actuarial Systems, Inc.), independent actuaries and consultants, has completed a review of PERS' actuarial experience for the four-year period ending June 30, 1973. The most recent actuarial valuation of PERS was made as of June 30, 1975 by the State's Actuarial Division. The state report identified an "unfunded supplemental liability" of \$1,271,956,710, as of June 30, 1975, for the local miscellaneous employees group, which would include employees of the city, except public safety personnel. As of June 30, 1975, the "unfunded supplemental liability" for all other member groups (State Miscellaneous, State Safety, Highway Patrol, Local Safety and County Schools), was \$5,822,022,351. The report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member

groups within PERS. Additional information is available from State of California Public Employee's Retirement System, 1416 Ninth Street, Sacramento, California 95184.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it. At July 1, 1975, an actuarial valuation by the state (the most recent) indicated the city had an unfunded liability for safety members of \$16,234,649 and for miscellaneous members of \$12,891,087. Contribution rates of 10.089% for safety members and 3.648% for miscellaneous members were established by the state to amortize this liability by July 1, 2000.

Annual Debt Service and Lease Obligations

Excluding the Refunding Bonds currently offered, the Riverside Civic Center Authority, the Parking Authority of the City of Riverside and the River-

Table 2
CITY OF RIVERSIDE
Summary of Revenues and Expenditures

	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES:					
Property taxes	\$ 3,381,375	\$ 3,571,253	\$ 3,381,227	\$ 3,601,056	\$ 3,975,581
Sales and use taxes	3,556,407	4,062,867	4,470,470	4,832,203	5,690,908
Other taxes	1,846,135	1,919,833	2,120,005	2,693,741	3,068,953
Licenses and permits	901,053	942,327	1,140,508	1,084,898	1,876,304
Fines and penalties	788,031	812,524	680,328	684,006	681,166
Use of money and property ..	373,742	343,707	582,830	640,493	452,720
From other agencies	5,322,400	9,012,415	8,803,342	9,508,874	12,911,274
Current services	4,094,251	4,438,769	4,391,775	4,704,924	4,802,899
Other revenue	2,347,013	2,725,664	2,494,099	3,307,429	4,177,388
Total	\$22,610,407	\$27,829,359	\$28,064,584	\$31,057,624	\$37,637,193
EXPENDITURES:					
General government	\$ 3,552,968	\$ 4,207,386	\$ 4,364,461	\$ 2,800,626	\$ 3,605,212
Public safety	6,709,935	7,627,026	8,449,947	10,282,932	11,491,824
Public works	5,288,240	5,565,493	6,430,158	8,350,101	8,700,639
Health	17,811	20,508	62,004	56,140	24,084
Library	1,506,206	1,629,611	1,703,592	2,098,121	2,304,122
Parks and recreation	1,784,931	2,069,330	2,120,569	2,976,007	3,316,951
Contributions to other governmental units	189,482	182,527	214,032	67,122	19,338
Capital outlays	4,167,301	5,014,523	2,711,108	4,232,265	5,661,477
Total	\$23,216,874	\$26,316,404	\$26,055,871	\$30,863,314	\$35,123,647

Source: City Finance Department as reported to State Controller.

side Airport Lease Company have issued a total of \$30,080,000 of bonds which are secured by pledges of rental revenues under leases of four projects to the City of Riverside. As of the sale date of the Refunding Bonds currently offered, and excluding such bonds since they are refunding an existing issue and will have no effect on the rental currently due, \$29,275,000 of these bonds will be outstanding. The annual base rentals due under all the leases, excluding the Bonds currently offered, total \$2,255,800 through 1991/92; \$2,219,300 from 1992/93 through 2002/03; and \$1,210,700 in 2003/04. It is noted that sale of the Refunding Bonds currently offered will serve to reduce the amount of base rental due in 2003/04 to \$285,700. Upon payment and expiration of the respective leases, ownership of all leased facilities will revert to the city.

In addition to the lease obligations described above, as of the sale date of the Bonds currently offered, the City of Riverside will have \$4,815,000 outstanding general obligation bonds, of which \$2,599,830 are currently supported by revenues from sewer service charges. The remaining bonds were issued for fire department capital projects and other city improvements. The seven outstanding issues have final maturities ranging from 1980 to 1994.

In addition, the city will have outstanding \$35,085,000 in revenue bonds issued to finance water system and electric system improvements. These are supported entirely by revenues from the respective enterprise for which they were issued. The final maturities on the water bonds are in 2006; the electric bonds 2003. The city plans to sell \$28 million in electric revenue bonds in 1977/78 and another \$28 million at a later date to purchase a share in the San Onofre Generation Project, a nuclear power plant located on the coast about 60 miles southwest of the city. These bonds will be supported entirely by electric system revenues.

Table 3 presents a summary of general obligation bond service requirements and rental obligations due in the future, excluding the rentals pledged to the payment of the refunding Bonds currently being offered for sale, since those are already included for an existing issue and the amount of rental will not change upon sale of the refunding bonds.

Table 3

CITY OF RIVERSIDE

Future General Obligation Bond Service and Rental Obligations^①

Fiscal Year	General Obligation Bond Service	Lease Rental Obligations ^②	Total
1977/78 ..	\$ 727,882	\$ 2,255,800	\$ 2,983,682
1978/79 ..	713,978	2,255,800	2,969,778
1979/80 ..	699,615	2,255,800	2,955,415
1980/81 ..	734,815	2,255,800	2,990,615
1981/82 ..	693,240	2,255,800	2,949,040
1982/83 ..	472,220	2,255,800	2,728,020
1983/84 ..	310,665	2,255,800	2,566,465
1984/85 ..	311,625	2,255,800	2,567,425
1985/86 ..	203,610	2,255,800	2,459,410
1986/87 ..	201,990	2,255,800	2,457,790
1987/88 ..	195,085	2,255,800	2,450,885
1988/89 ..	198,105	2,255,800	2,453,905
1989/90 ..	195,585	2,255,800	2,451,385
1990/91 ..	192,760	2,255,800	2,448,560
1991/92 ..	134,615	2,255,800	2,390,415
1992/93 ..	44,200	2,219,300	2,263,500
1993/94 ..	42,100	2,219,300	2,261,400
1994/95 ..	—	2,219,300	2,219,300
1995/96 ..	—	2,219,300	2,219,300
1996/97 ..	—	2,219,300	2,219,300
1997/98 ..	—	2,219,300	2,219,300
1998/99 ..	—	2,219,300	2,219,300
1999/00 ..	—	2,219,300	2,219,300
2000/01 ..	—	2,219,300	2,219,300
2001/02 ..	—	2,219,300	2,219,300
2002/03 ..	—	2,219,300	2,219,300
2003/04 ..	—	1,210,700 ^③	1,210,700
	\$6,072,090	\$59,460,000	\$65,532,090

^① Source: City 1975/76 Annual Financial Report.

^② Excludes 1977 Bonds currently offered which will have no effect on rental obligations.

^③ Sale of 1977 Bonds currently offered will reduce this amount by \$925,000.

Overlapping Debt

Table 4 below presents a summary of the city's

general obligation direct and estimated overlapping debt. The direct debt is discussed in detail in the preceding four paragraphs.

Table 4

CITY OF RIVERSIDE

Statement of Direct and Estimated Overlapping Bonded Debt

Population (January 1977)	152,400 ^①	
1976/77 Assessed Valuation	\$ 453,417,402	
Estimated Market Value	\$1,941,057,000 ^②	
		Debt August 16, Applicable 1977 ^④
	Percent Applicable ^③	
Riverside County	22.258%	\$ 178,064
Riverside Unified School District	92.712	16,188,440
Alvord Unified School District	93.921	3,992,581
Jurupa Unified School District005	126
Moreno Valley Unified School District	2.038	22,825
Riverside Community College District	67.806	1,491,732
La Sierra Community Services District	100.	310,000
Highgrove School District	32.843	16,421
Metropolitan Water District	1.003	5,357,996
Other Districts	Various	180,017
County Flood Control Zone No. 1	78.760	13,133,320
City of Riverside	100.	4,815,000
TOTAL DIRECT AND OVERLAPPING BONDED DEBT		\$45,686,522
	Ratio to	
	1976/77 Assessed Valuation	Estimated Market Value
	%	%
Assessed Valuation	100.	^②
Direct Debt	1.06	.02
Total Debt	10.08	2.35
		Per Capita

^① Source: State Department of Finance estimate.

^② The State Board of Equalization reported 1976/77 Riverside County assessed valuations averaged 23.3 percent of full value except for public utility property which was reportedly assessed at 25 percent of full value.

^③ Source: California Municipal Statistics, Inc., San Francisco, California, based on 1976/77 assessed valuations.

^④ Excludes revenue bonds and authority lease obligations (\$29,275,000, excluding the 1977 Bonds currently offered for sale) and city's share of county lease-purchase and authority obligations (\$4,807,728). Excludes sales and repayments, if any, between July 10 and August 16, 1977.

CITY SHARE OF AUTHORIZED AND UNSOLD BONDS

City of Riverside	\$ 450,000	Riverside Unified School District	\$ 1,670,814
Riverside County Flood Control and Water Conservation District, Zone No. 1	9,451,200	Alvord Unified School District	976,778
Metropolitan Water District	3,660,950	La Sierra Community Services District	100,000
		Western Municipal Water District Im- provement District No. 3	316,693

THE CITY

Geography

The City of Riverside is located in the northwest corner of Riverside County approximately 50 miles east of Los Angeles and ninety miles north of San Diego. Incorporated in 1883, the city is the county seat of Riverside County. The city comprises 72 square miles at an average elevation of 851 feet above sea level.

The city has a large number of well known industries as well as a high agricultural production. Most of the county's government offices, financial institutions and professional offices are located in the city. The city is served by three major railroads and two freeways.

Population

The growth of Riverside has steadily increased since 1950. The 1970 Federal Census showed the city's population to be 140,089, which represents an increase of 55,757 or 66% in the ten years since the 1960 census. During the twenty year period since the 1950 census, the population increased by 93,343. The State Department of Finance estimated population at 152,400 as of January 1, 1977. The following tabulation shows the growth in population since 1940.

CITY OF RIVERSIDE

Population Statistics

Year	Population
1940	38,227①
1950	46,746①
1960	84,332①
1970	140,089①
1977	152,400②

① Federal Census.

② State Department of Finance.

Climate

The city enjoys a relatively mild climate. Average temperatures range from 47 degrees in the winter to 79 degrees in the summer, with an average of over 300 clear or partly cloudy days per year. Precipitation averages 12 inches per year, with most rainfall occurring from December through March.

Municipal Government

The city is a charter city and has the council-manager form of government with a seven member council being elected for four year overlapping terms. The mayor is elected at large for a four-year term and is presiding officer of the council, but does not have a vote except in case of a tie. The position of city manager is filled by appointment of the council to serve as administrator of the staff and to carry out the policies of the council.

Functions of the city government are carried out by approximately 1,550 full-time personnel. Water is supplied by the city system. The city maintains a sewer system. Other city services include a diversified recreation program and park department, museum and library.

Utilities

Electric power is furnished to the city by the city-owned Public Utilities Department. Natural gas is supplied by the Southern California Gas Company. Telephone service is provided by the Pacific Telephone Company.

Housing Characteristics

As reported by the 1970 Federal Census, the majority of dwelling units in Riverside were owner occupied and 47 percent of these were valued at \$20,000 or more, with a median value of \$19,600. Median rent in the city was \$102 per month per unit.

Employment

Employment statistics are not compiled for the City of Riverside alone. The State Employment Development Department compiles statistics for the labor market including all of Riverside and San Bernardino Counties. In its April 1977 survey, detailed in the tabulation at the top left of page 19, the department reports that 373,400 were employed in the labor market, an increase of 9,600 over the previous April.

**RIVERSIDE - SAN BERNARDINO - ONTARIO
LABOR MARKET AREA**

Employment Statistics

Type of Employment	April 1976	April 1977
Agriculture	20,200	21,400
Mining	2,200	2,300
Construction	13,000	13,100
Manufacturing	52,800	52,700
Transportation, Communications and Utilities	18,800	19,400
Trade: Wholesale and Retail .	82,000	83,900
Finance, Insurance and Real Estate	13,200	13,600
Services	70,800	73,200
Government	90,800	93,800
Total	363,800	373,400

Source: California Employment Development Department.

Building Activity

Paralleling population and commercial growth in the city, building activity has increased steadily. More than \$365 million of building permits have been issued by the city's Building Department since 1972. Permit valuations are summarized in the tabulation at the bottom of the page.

Commercial Activity

Retail merchandising is a primary factor in the city's economy. The city serves as a major commercial and marketing center for a large portion of Riverside and San Bernardino Counties.

CITY OF RIVERSIDE

Building Permit Valuations

	1972	1973	1974	1975	1976	1977*
New residential	\$26,914,552	\$33,931,256	\$17,664,770	\$30,861,332	\$77,044,696	\$63,518,540
Commercial/industrial ..	17,450,643	20,453,498	13,555,810	11,290,255	9,319,695	9,435,572
Alterations/ additions	4,373,236	5,490,364	4,524,902	6,179,004	10,367,007	5,746,776
Total valuation	\$48,738,431	\$59,875,118	\$35,745,482	\$48,330,591	\$96,731,398	\$78,700,888
Total new dwelling units	28	81	40	87	206	1,455
Total permits	3,386	3,565	3,245	3,425	4,754	3,421

*6 months.

Source: City Planning Department—Building Division.

The following tabulation summarizes the growth in taxable transactions since 1971, as reported by the State Board of Equalization.

CITY OF RIVERSIDE

Taxable Transactions

Year	Outlets July 1	Taxable Transactions
1971	2,608	\$349,816,000
1972	2,700	394,940,000
1973	2,762	436,677,000
1974	2,799	462,346,000
1975	2,908	506,560,000
1976	3,034	588,267,000

Source: State Board of Equalization.

Industry

There are 195 manufacturing plants in the Riverside community area. Leading group classes of products include mobile homes and recreational vehicles, electronic components, aircraft and rocket motor assemblies. Table 5 on page 21 below lists the major industrial and non-industrial employers in the Riverside area. Many other industries which provide employment in the Riverside-Ontario-San Bernardino labor market are located outside city limits, but within a short drive.

Banking

Riverside is served by a number of financial institutions, both banks and savings and loan institutions: Bank of America N.T. & S.A. (6 branches), Crocker National Bank (3 branches), First Na-



Security Pacific Plaza, an office building development in downtown Riverside completed in 1974.

tional Bank & Trust, Riverside National Bank (2 branches), Security Pacific National Bank (5 branches), United California Bank (2 branches), Anaheim Savings and Loan, California Federal Savings and Loan, Glendale Federal Savings, Hemet Federal Savings and Loan, Provident Federal Savings and Loan (2 branches), Redlands Federal Savings, Riverside Savings and Loan and USlife Savings and Loan.

Transportation

Riverside is served by or adjacent to a variety of land and air transportation facilities. Interstate bus service is available via both Greyhound and Continental Trailways. Local bus service is provided by the Southern California Rapid Transit District and Riverside Transit Agency. Most major trucking firms serve Riverside in addition to numerous local carriers. Overnight delivery can be scheduled to San Francisco, San Diego and Sacramento.

Table 5
RIVERSIDE COMMUNITY AREA
Principal Employers

Firm/Institution	Principal Products	Number of Employees
Industrial:		
Fleetwood Enterprises	Mobile homes, recreational vehicles	1,450
Bourns Inc.	Electronic components and systems	1,076
Rohr Industries Inc.	Aircraft and rocket motor assemblies	1,040
Riverside Cement Co.	Cement	599
Owens-Illinois/Lily Div.	Paper and plastic cups and containers	420
Alumax Mill Products	Aluminum mill products	418
Toro Co.	Automatic irrigation systems	350
Hunter Engineering Co.	Rolling mill machinery/equipment	310
Amoco Reinforced Plastics	Fiberglass pipes and manholes	250
ATCO International Inc.	Relocatable housing structures	250
FMC Corp., Citrus Machinery Div.	Citrus processing machinery, egg handling systems	200
Luxfer USA Ltd.	Aluminum high pressure gas cylinders	175
Non-Industrial:		
County of Riverside	County government	3,977
Univ. of Calif. Riverside	State university	3,600
Riverside Unif. School District	Public school system	2,368
City of Riverside	City government	1,449
March AFB (non-military empl.)	Military installation	1,300
Alvord Unif. School District	Public school system	850
Pacific Telephone Co.	Telephone utility	800
Riverside Community Hospital	Private hospital	787
E. L. Yeager Construction	Road construction	500
Press-Enterprise Co.	Daily newspaper	424

Source: Riverside County Department of Development, April 1977.

Rail service is provided by three major transcontinental railroads, the Santa Fe, Southern Pacific and Union Pacific. All three lines converge in the city.

Air transportation is available from the self-supporting Riverside Municipal Airport and the Ontario International Airport, 18 miles to the west.

Riverside is served by the Riverside Freeway (State Route 91), which provides access to Orange County; Interstate 15 which connects the city to San Diego and San Bernardino; and U. S. Highway 60, a transcontinental east-west route.

Education

Riverside provides instruction at all levels. The University of California at Riverside, with a 1976/77 enrollment of approximately 5,100, offers undergraduate and graduate degrees in many liberal arts fields in addition to a notable agricultural curriculum.

Illustrative of industrial development within the Riverside area are the plants of Certain-Teed Products (upper left), Riverside Cement (lower left), Amax Aluminum Mill Products (below), and Lily-Tulip Division of Owens-Illinois (bottom).



Also located at Riverside is La Sierra College, a four-year Seventh Day Adventist college affiliated with Loma Linda University. Specialized schools include California School for the Deaf and the Sherman Institute.

The Riverside Unified School District operates 24 elementary schools, 5 junior high schools, 4 high schools and 3 special schools. Fall term enrollment over the past five years, as reported by the district, is shown in the following tabulation.

RIVERSIDE UNIFIED SCHOOL DISTRICT

Fall Term Enrollment

School Year	Elementary	Junior High	High	Total
1972/73 ..	12,879	5,475	6,860	25,214
1973/74 ..	11,783	4,025	7,481	23,289
1974/75 ..	12,196	4,100	8,111	24,407
1975/76 ..	12,175	4,011	8,262	24,448
1976/77 ..	12,038	3,963	8,234	24,235

Source: Riverside USD.

The Alvord Unified School District, with a total Fall 1976 enrollment of 8,969, also provides public schools for a portion of city residents.

The Riverside City Community College District operates Riverside City College. The school is a community college offering two-year programs leading either to terminal degrees in technical fields or to entrance to a four-year college at the third year level, plus adult education courses. Fall term enrollment has been as tabulated in the next column.

RIVERSIDE CITY COLLEGE

Fall Term Enrollment

	1972	1973	1974	1975	1976
Day ...	5,694	6,095	6,413	7,385	6,838
Night ..	5,146	5,973	6,196	6,679	5,659
Total	10,840	12,068	12,609	14,064	12,497

Source: Riverside City College.

Recreation and Tourism

The City of Riverside has 25 park areas totalling about 520 acres with facilities ranging from picnic areas and playgrounds to swimming pools to community centers. There are two municipal golf courses. The department sponsors a full range of recreational activities for area residents.

There are many recreational areas within a short drive of the city. These include the Riverside International Raceway east of the city, the Orange Empire Trolley Museum in Perris and ski and mountain recreation areas in the nearby San Bernardino and San Gabriel mountains. Somewhat further from the city is Palm Springs, a popular winter resort, Lake Arrowhead and Big Bear Lake.

Community Facilities

Riverside provides many cultural activities and facilities including an art center, municipal museum, municipal library, the opera society, the symphony society and the municipal auditorium.

Four general hospitals, with a total bed capacity of 899, are located in the city, along with eight convalescent hospitals.

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